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U.S.

States Prepare to Launch Investigations Into Tech Giants

Group of AGs has been discussing how to address antitrust-related concerns with Google, Facebook, Apple and Amazon

By John D. McKinnon Follow

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Several state attorneys general, including Louisiana's Jeff Landry, have been discussing how to address antitrust-related concerns around big tech companies. PHOTO: MELINDA DESLATTE/ASSOCIATED PRESS

WASHINGTON—State attorneys general are preparing for their own

investigations into big tech platforms including Google and Facebook, based on concerns that largely mirror those driving probes by the Justice Department, the Federal Trade Commission and Congress.

That is adding to regulatory headaches for the tech giants, and potentially adding to the pressure on federal officials.

The U.S. Justice Department and the Federal Trade Commission recently agreed on a plan that would clear the way to examining potential antitrust issues with several big U.S. tech firms. Now the Justice Department has authority over Alphabet Inc.'s Google unit and Apple Inc., while the FTC will have oversight of Facebook Inc. and Amazon.com Inc.



Google CEO Sundar Pichai testifies at a House committee hearing on Google's data-collection practices in December. PHOTO: JIM LO SCALZO/SHUTTERSTOCK



Google and Facebook are closest to being in the agencies' investigative crosshairs, according to people familiar with the matters.

In recent interviews, several state attorneys general and aides said a core group of AGs has been discussing how to address antitrust-related concerns around big tech companies for some months. One official estimated the number of attorneys general who are involved at between 12 and 20.

While the federal government still carries the most clout, "meaningful litigation to check companies over the last 30 years

Facebook CEO Mark Zuckerberg testifies during a Senate hearing about Facebook in Washington in April 2018. PHOTO: SAUL LOEB/AGENCE FRANCE-PRESSE/GETTY IMAGES

seems to be starting out more and more from the state AGs," said Jeff Landry, the Louisiana attorney general, in a recent interview.

"Now it's up to the AGs and DOJ

and FTC...to solve" the problems.

Amazon declined to comment. Google, Facebook and Apple didn't immediately comment. Big tech companies generally have said they believe they are operating in highly competitive and dynamic markets.

Several of the attorneys general or their top aides will meet next week with FTC officials at a workshop in Omaha, Neb., on state and federal competition and consumer-protection issues.

Mr. Landry is scheduled to appear on one panel, along with Nebraska Attorney General Doug Peterson and Tennessee Attorney General Herbert Slatery III.

Aides from Iowa, Utah, Virginia and Washington state also are likely to speak on antitrust issues.

No decisions are likely, although the meeting gives attorneys general the chance to share more viewpoints and possible strategies.

Many of the state AGs who are engaging in the effort are Republicans like Mr. Landry. But some Democrats also have been involved.

"What you're seeing is more AGs of both parties trying to pursue this issue," said Jim Hood, the Mississippi attorney general, who is a Democrat, in a recent interview. Antitrust concerns about big tech companies are "up there with the Standard Oil trust during that era, the robber barons in the 1800s—we're looking at that kind of political power."

He added that he suspects the issue will end up in litigation.

State attorneys general enforce state antitrust and consumer-protection laws that often mirror federal rules. They have emerged in recent years as an important front line in taking on large and complicated cases. In the government's 1998 antitrust case against Microsoft Corp., for example, a group of state attorneys general joined the Justice Department in filing its monopolization complaint.

But the discussions have been wide-ranging and no formal complaint appears imminent. Much of the focus is on broad issues such as the companies' data-fueled growth, their dominance of certain areas such as online advertising, and the difficulty of entering some markets for would-be rivals. Those are concerns that federal regulators also are considering.

"Data ...is really the new oil," said Mark Brnovich, the Arizona attorney general, in a recent interview. "What's happening is the giants are growing more and more powerful. The more data they gather... the better and smarter their software becomes, and that leads to increasing their lead and their dominance."

That also could be leading to more manipulation of consumers and limiting of their choices, particularly in commercial settings but also in information, he added.

But some Republicans also have focused intently on supposed suppression of conservative viewpoints as a potential basis for an antitrust suit, which may drive some Democrats away.

The tech companies generally have rejected the idea that they are manipulating information or suppressing conservative speech.

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